App F IX 4

Previous References

1948-49
(ML)

File No 88-48
Serial Nos 9

Later References
44 6 G 7x 56

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GENERAL AND REVENUE SECRETARIAT.

Serial Nos One

Part B for Sept.-48

SUBJECT

Policy governing the levy of octroi duty in Municipalities during 1948-49

O M No L 2554-2620/D 11-9-48

To The Comrs of City Municipalities
" " Prsdt, ML Union Secr Stn B'lore
" " D C.S of Dists
" " Prsdts of Town Municipalities
" " Comr of Income-tax
" " Comptroller

Issues instructions re

Dewan's Minutes or Municipal File P.No. 4970/5298.

Subject:- Levy of Octroi duty on Silk-waste (Jute) and Cocoons in Chennapatna Municipality.

"I find myself in complete agreement with the Hon'ble Minister. This case raises two broad questions of policy which require decision at a Council Meeting.

1) There is no such thing as Octroi Duty in any of the provinces. The levy of such duty on raw materials required for a manufacturing industry would handicap that industry and place it in a disadvantageous position i competition with industries outside the State.

2) A wider issue arises owing to the contemplated Sales Tax. Is it not time that Government sterilizes the present position regarding octroi duty levied by Municipalities and does not sanction the raising of the level of such duties or the inclusion of more items for such duty'

These issues will be considered at a very early Meetin of the Council.

Meanwhile may I request the Hon'ble Minister for City Municipalities and the Hon'ble Minister for Town Municipalities not to sanction any such proposals.

The subject may be treated as urgent.

Intd. A.R.M.
25/5."

222

Extract from the Proceedings of the 75th *Meeting of the Council of Ministers held at Bangalore on* 7th August *1948.*

GENERAL & REVENUE SECRETARIAT 10 AUG 1948 MUNICIPAL BRANCH

GENERAL & REVENUE SECRETARIAT 9 AUG 1948 MUNICIPAL BRANCH

SUBJECT:-

Sales Tax and Octroi Duty.

OPINION OF THE COUNCIL.

Council is of opinion that as the Sales Tax is proposed to be levied during 1948-49, and the question of the levy of Octroi duty on new goods or at higher levels has been raised by several Municipalities, the following policy may be observed in dealing with requests of Municipalities for sanctioning levy of Octroi duty:-

1) So far as the City Municipalities are concerned no Octroi duty on goods or articles on which Octroi duty is not being levied now should be sanctioned by Government.

2) No increase of the rate of Octroi duty on any articles by any of the City Municipalities should be sanctioned.

3) So far as Town and Minor Municipalities are concerned the question of levy of Octroi duty on new articles or increase of the level of such duties on articles now subject to Octroi duty may be considered in regard to each article and Municipality and sanctioned on merits.

These principles will be applied during 1948-49 and the entire question will be reviewed at the time of the consideration of the budget for 1949-50.

(Sd) A. RAMASWAMI MUDALIAR
Dewan of Mysore.

THE MINISTER FOR CITY MUNICIPAL AND RURAL No 548 Date 9-8 1948.

For a final Note
Min (City ml & Mug)
9/8/48
Revenue Secretary
9/8/48

'EXTRACT'

Chief Secretary to Government.
9/8

9/8/48

Ml 1182

D & N for appl 548

new secy 14/8/48

Signed F N places below

DEWAN'S OFFICE
23AUG 1948
No 977

16/8

Dewan

17/8

17/8/48

Final note by the Minister for City Municipalities & Muzrai

Subject - SALES TAX and OCTROI DUTY

In connection with the proposals of the Channapatna Town Municipal Council for the levy of octroi duty on raw silk and cocoons at three pies per rupee to enable the Municipality to finance the drainage and water supply schemes which were required to be undertaken urgently in the town, it was considered that such a duty on raw materials in respect of the second biggest industry in the State which has to face keen competition with foreign imports, would tend to weigh heavily upon the trade and operate against the prosperity of the industry The rate of octroi proposed though ostensibly small was calculated to involve in the Mysore Silk Filatures alone in a contribution of about Rs.50,000/- on this account, not to speak of the octroi payable by the private reelers Since the Government of India have levied protective duty, specific duty and surcharge in all amounting to 30 per cent on imported silk to encourage the indigenous industry and there has been a clamour from the trade interests for enhancement of this duty to 50 per cent - the levy of octroi duty by the Municipality on these materials was felt to have the effect of counter-acting the protection afforded by the Government of India to the detriment of the local industry Hence when the file came before me, I expressed myself against the proposals of the Municipal Council for this levy

The Dewan to whom the file was submitted was pleased to minute as follows

" I find myself in complete agreement with the Hon'ble Minister This case raises two broad questions of policy which require decision at a Council Meeting

1) There is no such thing as Octroi Duty in any of the provinces The levy of such duty on raw materials required for a manu-facturing industry would handicap that

industry and place it in a disadvantageous position in competition with industries out--side the State

2) A wider issue arises owing to the contemplated Sales Tax Is it not time that Government sterilizes the present position regarding octroi duty levied by Municipalities and does not sanction the raising of the level of such duties or the inclusion of more items for such duty?

These issues will be considered at a very early Meeting of the Council

Meanwhile may I request the Hon'ble Minister for City Municipalities and the Hon'ble Minister for Town Municipalities not to sanction any such proposals

The subject may be treated as urgent

Accordingly the question was discussed at Meeting of the Council of Ministers on the 7th August 1948 when it was resolved as follows -

" Council is of opinion that as the Sales Tax is proposed to be levied during 1948-49, and the question of the levy of octroi duty on new goods or at higher levels has been raised by several municipalities, the following policy may be observed in dealing with requests of municipalities for sanctioning levy of octroi duty -

1) So far as the City Municipalities are concerned no octroi duty on goods or articles on which octroi duty is not being levied now should be sanctioned by Government

2) No increase of the rate of octroi duty on any articles by any of the City Municipalities should be sanctioned

3) So far as Town and Minor Municipalities are concerned the question of levy of octroi duty on new articles or increase of the level of such duties on articles now subject to octroi

duty may be considered in regard to each article and Municipality and sanctioned on merits

These principles will be applied during 1948-49 and the entire question will be reviewed at the time of the consideration of the budget for 1949-50 "

I solicit the gracious approval of His Highness to the above resolution of the Council of Ministers laying down the policy governing the levy of octroi in the several municipalities in the State during the year 1948-49

Minister for City Municipalities & Muzrai

Bangalore)
16-8-1948)

Submitted to His Highness

I submit herewith, for the gracious approval of His Highness, a final Note by the Minister for City Municipalities and Muzrai regarding the policy governing the levy of octroi dut in the several municipalities in the State during the year 1948-49.

A Ramaswamy Mudaliar

D E W A N.

Bangalore,
23rd August 1948.

Record of Cases submitted for the Orders of
His Highness the Maharaja

Subject

Policy governing the levy of octr duty in the several municipalities in the State during the year 1948-49.

Order

VRN
26/8/'48

Chief Secy
ARM
27/8

UO
28/8
dkm 28/8

General and Revenue
Secretariat

C222

WD 03416—GPB—500—12 7 48

SUBJECT —

Policy governing the levy of octroi duty in the several municipalities in the State during the year 1948-49

Circulated to Council of Ministers for perusal of His Highness orders ~~before~~/after issue of orders

Draft please

Chief Secretary to Government

Through the Secretary to Government

Revenue Department

1 Chief Minister

2 Minister for Finance and Industries

3 Minister for Law and Labour

4 Minister for Revenue and Public Works ~~and Agriculture~~

5 Home Minister

6 Minister for Local Self Government

7 Minister for Public Health and Excise

8 Minister for Education

9 Minister for City Municipalities and Muzrai

NOTE —Contn sheet

Secretary to Government
Revenue Department
with compliment

policy governing the levy of octroi duty on Newspapers during 48-49

Draft of a put up for approval

Rec'd 4/9/48
Rs 3 9 48

Rev seen for 4/9/48

27/9/48

Please put up a fair draft

8
7/9
T.S. Pl type & send.
for
7/9/48

Fair draft & put up for approval

Rec'd 8/9/48
Rs 8/9 Rs 2 0 48

Rev seen for 8/9/48

Appd
8
10/9

O.M. No L 2554-2620/48 dated 11 9 48 approved/returned herewith for 11/9/48
88-48-9
Issues enclosed re the policy to govern the levy of octroi on Newspapers

To
1) The Comm & Cols Newspapers
2) " Prot Newspaper Commr, with file
3) " Secs & Dvs Chiefs
4) " Posts & Tgrs Newspapers
5) " Commr of Income tax
6) " Comptroller

1182/rel

Pdhey Joarnong the levy section on Newspaper
Circular 48 of 9

Sd/- after issue for Completion of
the Circulation

C B

14/9/48

Circs
11/9/48
Pr 14/9/48

CB
15/9/48

Circulation Completed & approved
this cuttg may be Recorded under B Cover

Sd/- Pr
8/10 quires

2
Yes please

9/10/48

B - 29/10/48

90 copies Int 88-48-9

CS24-8620 / OFFICIAL MEMORANDUM

11-9-48

The policy that should govern the levy ctroi duty in the several Municipalities ie State, especially with reference to the introduction of the sales tax from the 1st September 1948, has been under the consideration of Government for some time past They are pleased to direct that the following principles be applied during the year 1948-49 in the consideration of the proposals for fresh ey of octroi or for enhancing the rate of he existing levy in the several kinds of Municipalities

(a) So far as the City Municipalities are concerned, no octroi duty on goods or articles on which octroi duty is not being levied now will be sanctioned,

(b) Also no increase of the rate of octroi duty on any articles by any of the City Municipalities will be sanctioned,

(c) So far as Town and Minor Municipalities are concerned, the question of the levy of octroi duty on new articles or increasing the level of such duties on articles now subject to octroi duty will be considered in regard to each article and Municipality and sanctioned on merits.

The Municipal Commissioners, Deputy Commissioners of Districts, and Presidents of Town Municipalities are requested to bear the above instructions in mind while submitting proposals for the revision of the octroi duty in their respective areas

3 The entire question will again be reviewed at the time of consideration of the State budget for 1949-50

By Order,

for Revenue Secretary to Govt

2621/E
11-9-08

Revenue xxxxx

The Superintendent,
Government Printing

Sir,

I am directed to request you to print and supply 90 copies of the enclosed Official Memorandum unsigned) to day as they have to issue very urgently and 200 signed copies The order may also go out in the weekly Volume

Yours faithfully,

For Secretary to Government
Revenue Department

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

GENERAL AND REVENUE DEPARTMENTS

O M No L 2554 2620—Ml 88 48 9, dated 11th September 1948

The policy to govern the levy of octroi in Municipalities during 1948 49

Issues instructions *re* ——

OFFICIAL MEMORANDUM

O M No L 2554 2620—Ml 88 48 9, DATED BANGALORE, THE 11TH SEPTEMBER 1948

The policy that should govern the levy of octroi duty in the several Municipalities in the State, especially with reference to the introduction of the sales tax from the 1st September 1948, has been under the consideration of Government for some time past They are pleased to direct that the following principles be applied during the year 1948 49 in the consideration of the proposals for fresh levy of octroi or for enhancing the rate of the existing levy in the several kinds of Municipalities —

(*a*) So far as the City Municipalities are concerned, no octroi duty on goods or articles on which octroi duty is not being levied now will be sanctioned,

(*b*) Also no increase of the rate of octroi duty on any articles by any of the City Municipalities will be sanctioned,

(*c*) So far as Town and Minor Municipalities are concerned the question of the levy of octroi duty on new articles or of increasing the level of such duties on articles now subject to octroi duty will be considered in regard to each article and Municipality and sanctioned on merits

2 The President, Municipal Commission, Civil Station, Bangalore, the Municipal Commissioners, the Deputy Commissioners of Districts and the Presidents of Town Muncipalities are requested to bear the above instructions in mind while submitting proposals for the revision of the octroi duty in their respective areas

3 The entire question will again be reviewed at the time of consideration of the State Budget for 1949 50

SYED ABDUL ALEEM,
Secretary to Government,
Revenue Department

To—The Commissioners of City Municipalities through the respective Presidents
The President Municipal Commission Civil Station
The Deputy Commissioners of Districts
The Presidents of Town Municipalities
The Comptroller to Government
The Commissioner of Income tax
Copies to Dewan s Office Ministers Establishments

Exd —T N S

WD 473—GPB—565—11 9 48